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## Editorial

This issue of the Journal of Local Public Economics provides space for two sections in addition to the regular articles presented.

On the second point, there are three contributions to highlight, and although with different titles and themes, not with much comparative discord, since the contribution by Roberto Gallardo del Ángel saves a long-awaited analysis of more than a year on a way of interrogating and responding to the analysis of public deficit data by means of machine learning methods, which are beginning to be used more widely given the advantages they possess. It is not a question of highlighting the advantages that artificial neural networks acquire here, but rather their use and application to respond to the factors that most affect deficits, and in the case dealt with by Gallardo del Ángel, certainly not to investment in public infrastructure as the protagonist of the municipal deficit in Mexico.

The interconnection with the work of Jorge Martínez-Vázquez can be seen from many angles, as this contribution is broad and extensive, but justified by the expected decentralisation and federalism processes in China. The author has investigated the growth of the Chinese economy and the imbalances and inequalities that, whether we like it or not, as a natural form of an accelerated capitalism, provoke strong differentials. It is in this scenario that the analysis of public economics comes close to assessing disparities and forms of equalisation and the performance of policy effectiveness. But as the country boasted of decentralisation even before the late 20th century, in practice, not so much, and thus, it comes under the scrutiny of Western economies to understand centralising and equalising policy towards regions as well as within regions. One cannot separate from this the leading role played by the concentration of capital, which, although it already existed before it took off in the late 1970s, the strength of the centre and the strength of the dynamic and to some extent autonomous regions was not clear. The author shows us over a long period of the Chinese economy, the role that central and local governments have played in maintaining growth and policies to improve income distribution in the face of local economic powers and where growth and productivity persist with great strength. The aspect of local public deficits experienced at the local level, and to connect it to the work of municipalities in Mexico mentioned above, is illustrative because due to a certain autonomy of the regions, the cost of the deficit is not shared and not passed on to the whole economy, but absorbed and metabolised inter- and intra-regionally.

The very rapid growth experienced by the Chinese economy, which has been studied by many academics, contrasts with Edgardo Ayala and Joana Chapa's contribution on Latin America and in particular Mexico. Here the question is the other way around: why economies do not grow, leaving aside the illusion of China's high growth. This analysis is based on studying factor productivity taking into account the information provided by the PEN World Table on country growth data in the scenario of growth theories in economics and growth models.

What has helped the Chinese economy in its post-war past is the institutional hierarchical structure, which has been delimited so as not to allow freedoms of all kinds, from labour mobility to the informal sector. In this sense, if we want to accept that productivity has not progressed in Mexico, nor has it progressed much in the countries of the region, we would have to take into account the size of the informal sector in China to give reliability to the informal sector in Mexico, which, as shown in the results of Ayala and Chapa's research, does not allow for an increase in

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productivity and with it the consequences on welfare improvements. One possible reason is that the free allocation that implied peculiar democracies (income concentrators) in markets with very asymmetric agents in terms of lack of knowledge that when compared to a strong and centralised hierarchical structure as there was (and still is on a smaller scale) during the hard years of the People's Republic of China and then the entry to segmented capitalism, benefited from not having an informal sector until reaching more modern stages without going through the overflow of the informal sector. There was simply not as much of a history of informal sector in China, however, a current concern is the mobility of labour, without social security, which is no small matter as there are millions of displaced people there.

In the case of the Chinese economy, the analysis of the factors does not blur the undoubted factor of foreign direct investment and, above all, the decision taken when it was known that this would be located in some part of the country's territory and that in practice there were not many options outside the regions of the east coast. In another sense, although there was no speculation about such high growth rates, because it was difficult to predict, it was always known that a redistribution would have to be made after a period of time. This is only just beginning to be seen, as Martínez Vázquez shows. The possible similarity between the growth of Mexico's economy - and its regions at the dawn of the 20th century - and China's economy, except for the difference that the US economy had already begun to grow at the same time as the industrial revolution, is that the coupling with the northern regions of Mexico, and its comparative advantages, gave it a natural preference. In other words, there was no strong political economy decision to prefer growth zones as there was in the People's Republic of China in directing the destination of FDI. One would think that an analysis of total factor productivity by region comparing the two economies would provide further insights into the economic role of the informal sector.

What is presented in the other sections is, on the one hand, what we have called the "conjuncture" section, where Oscar Cárdenas describes the harmful and impractical effect of lowering the salaries of a highly qualified bureaucracy. We will certainly take advantage of this quasi-new section to incorporate other works that will surely come out on the subject of the coronavirus that is not only changing economies and governments, but also economic theory itself by focusing attention on disruptive factors that can no longer be considered external and that modify consumption, production and allocation.

At the end we comment on the book that was presented at 11 SEMEPUL in Xalapa. Our colleague Jorge Silva Riquer comments on the book by Leonardo Lomelí Vanegas on the Gestation of the business oligarchic class in Mexico, which played a leading role in business growth during the years of government during the Porfiriato.

Finally, I must comment on the departure from this world of two people who made their academic lives in Mexico. Jaime Ros Bosch and Fernando Antonio Noriega Ureña. The community is taken by surprise as they were still in full academic activity.